

State of Washington
Department of Labor and Industries
2006 Supplemental Decision Package

Decision Package Code/Title	CR	CVC - Collecting from Criminals
Budget Period	2005-07	2006 Supplemental Budget
Budget Level	PL	Policy/Performance Level

Recommendation Summary Text

Agency request legislation is proposed to give the Crime Victims' Compensation Program (CVCP) a more efficient means to collect reimbursement from a convicted felon. If adopted into law, the CVCP will issue levy documents to collect court-ordered restitution and file judgments in the superior court where the debtor was convicted of the crime that led to the Crime Victims' Compensation claim payment. An additional appropriation of \$16,400 is needed to cover the court filing fees. The result of this increased collection effort is estimated to bring in an additional \$250,000 a year in revenue to the Public Safety and Education Account.

Fiscal Detail:

	FY 2006	FY 2007	TOTAL
Staffing (B6):	0	0	0

	FY 2006	FY 2007	TOTAL
Operating Expenditures:			
02V - Public Safety and Education Account	0	16,400	16,400

	FY 2006	FY 2007	TOTAL
Revenue (B9):			
02V - Public Safety and Education Account	0	250,000	250,000

Package Description:

Under current law the CVCP has two ways to try to collect reimbursement from convicted felons to recoup costs of benefits paid out to victims of crime.

- 1) Restitution - They they can collect from restitution ordered by the court. This requires an Assistant Attorney General (AAG) to file a writ of garnishment in Superior Court at \$200 per case.

- 2) Debt Due and Owing - The civil collection process for debt due and owing over and above court ordered restitution requires an AAG to file an action in Superior Court to gain judgment against the debtor. The CVCP must pay for the AAG time and a filing fee of \$200 per case.

These processes are not working very well because AAG time is limited and CVCP does not have budget sufficient to cover the cost of the \$200 per case judgment filing fee for either of these receivable types. Currently, the CVCP only recoups approximately \$10,000 debt due and owing annually.

The proposed legislation would simplify the collections process for CVCP by making it similar to the procedures required for the collection of workers' compensation benefit overpayments and employer premium assessments as covered in Title 51. This simplification reduces the cost of collecting restitution by allowing the department to issue a notice and order to withhold and deliver by certified mail at a cost of \$2.56. It will also reduce the cost of gaining judgment in debt due and owing to \$20 per case. The legislation will result in increased revenue collections paid into the Public Safety and Education Account (PSEA). The Department will hold convicted offenders of violent crimes causing harm to victims accountable by actively and efficiently seeking repayment for the costs of the offender's actions. The CVCP estimates it will file 820 judgment claims for debt due and owing costing \$16,400 annually.

It is difficult to forecast how much additional revenue will be collected from the convicted offenders because there is little historical data to calculate an estimate. However, increased revenue to the Public Safety Education Account (PSEA) for the receivable types restitution and debt due and owing is estimated at approximately \$250,000 per year.

Besides the benefit of increased revenue to the PSEA and cost savings to the CVCP, adoption of this legislation would increase public confidence in the integrity of the crime victims' compensation system. Improved collection from convicted offenders will show L&I is committed to fair and consistent collection practices in all receivable types owed the department.

Specifically, the proposed legislation changes the ability of the CVCP to collect from offenders in the following ways:

Section 1 of the bill amends RCW 9.94A.753 to add L&I as the administrator of the Crime Victims' Compensation Program, as an entity that may enforce court-ordered restitution in the same manner as a judgment in a civil action.

Section 2 amends RCW 7.68.120 as follows:

- It allows a notice of debt due to become final 30 days after it is served unless a written request or reconsideration is filed with L&I, or an appeal is filed in Superior Court in the jurisdiction where criminal act occurred. Such an appeal must be sent to the Director of L&I.
- Once a notice has become final (no request for reconsideration or appeal within 30 days), L&I may file a warrant as in other Title 51 processes. The current language requiring a default judgment has been deleted.

- The proposed language allows L&I to issue a notice to withhold and deliver property belonging to any person against whom a notice for debt due and owing has been served, or an order of restitution has been entered.
- New language also prohibits civil discovery before the Superior Court, preventing crime victims from being called upon by the offender in an appeal process.

New procedures for CVCP staff can be implemented upon effective date of the bill as the functionality to perform the revised activities already exist in other collection processes.

Narrative Justification and Impact Statement

How this Decision Package contributes to agency's strategic plans and activities

This decision package contributes to L&I 's goal to improve service delivery to crime victims. It supports the Priority of Government Result:

#8 - Improve the safety of people and property,

#11 - Improve the health of Washington citizens

#5 - improve the security of Washington's vulnerable children and adults.

Performance Measure Detail:

Goal(s) to which this change is tied:

The goal of the Crime Victims' Compensations Program is to provide services to reduce the impact of violent crime to eligible crime victims.

Performance Measure Changes:

Incremental Changes

FY 2006

FY 2007

Note: Performance measures for each activity will be identified by July 31, 2005. The Budget Office will link performance measures in the strategic plan to the measure in this decision package in August 2005.

Outcome Measures:

Output Measures:

Efficiency Measures:

Statement of Expected Results:

The **Crime Victims' Compensation Program** expects to collect an additional \$250,000 per year beginning in Fiscal Year 2007 with the improved collection methodology. The activity will be based upon a filed lien judgment warrant. The number of judgment warrants filed and Notice to Withhold and Delivers issued per year is expected to be 820.

Reason for change

The current law requires an expensive court action process that does not have a cost benefit to the department. Simplification in the proposed legislation will allow CVCP to increase the effort in the areas of restitution and debt due and owing. The department will make a dedicated effort to perform fair and consistent collection action against all identified offenders for all receivable types.

Impact of the change on clients and services

Existing CVCP services will not be affected by this request. Additional funds to the PSEA should be of benefit to crime victims and other beneficiaries of that account. This change also increases accountability for criminals for which the court does not order restitution, as appropriate to their actions.

Other impacted programs/divisions/regions

Implementation of the change in the proposed legislation may bring about the future need for additional Revenue Officers. The number of Revenue Officers on staff today is sufficient for the workload under the current process, given the lack of funds to perform consistent collection practice at the current cost of the default judgment action. Assessment will be performed during the first year of legal changes to determine if additional staff would be needed. If requested in a future decision package, such staff would have a positive net return on investment to the PSEA account.

Relationship to capital budget

None

Required changes to existing RCW, WAC, contract or plan

Section 1 of the bill amends RCW 9.94A.753 .

Section 2 of proposed legislation amends RCW 7.68.120.

Alternatives explored by agency

Increasing Attorney General staff support and bringing suit directly in Superior Court for the debt due and owing on the criminals affected by the bill was explored. It was determined that due to the costs involved in such a procedure, there would be a negative return on investment to the department's appropriation of the PSEA and the CVC program.

Budget impacts in future biennia

The expenditures of \$16,400 per year will be ongoing.

Distinction between one-time and on-going costs

There are no one-time costs.

Effects of non-funding

Failure to fund this package will leave the number of cases of successful collections by CVCP revenue officers at its current level. Without funds for filing liens, debt due and owing will remain at the current average of \$10,000 collected per year.

Expenditure Calculations and Assumptions

A cross match of department records with files from the Administrator of the Courts records found approximately 2,000 offenders convicted of the crimes for which benefits were paid since the fourth quarter of Fiscal Year 1999. Of these, 41 percent or 820 had no court ordered restitution, requiring the use of the department's debt due and owing process to affect collection.

Under this proposed legislation to simplify the process, the CVCP would file warrants on these 820 cases at \$20 per lien (current fee rate) = \$16,400 . The simplified processes for collection of court ordered restitution and civil debt due and owing will bring an additional \$250,000 into the PSEA . The estimate is based on previously identified restitution and debt due and owing cases we not collected based on the cost to the department.

Revenue Calculations and Assumptions

Restitution - Program staff estimated an additional \$100,000 collected with the proposed change to RCW 9.94A. The county courts are primarily responsible for collecting restitution when the offender is released from prison. Many counties have an excellent collection process. About 1/2 of the 32 counties make little or no collection effort. This is the area where we think we can make an improvement by locating offenders and levying bank accounts and wages. The \$100,000 estimate is low because we are uncertain how many offenders reside in these counties and how many of those are employed and able to pay. CVCP has not made a concerted effort to collect restitution in the past so we have little data upon which to base revenue forecast.

Debt Due and Owing - We know we have at least 820 offenders who we could file a claim of debt due and owing. We have a collection effort going against some 60 of these currently (7 percent), collecting between \$8,000 and \$10,000 annually over the last three years, or approximately \$630 apiece. Under the proposed law change, we do not know how many of the 820 criminals will actually collect from since many have no income or limited income. Therefore, for his fiscal analysis we show a conservative guess of \$150,000 per year.

	FY 2006	FY 2007	TOTAL Biennium	Biennium 2007-2009	Biennium 2009-2011	TOTAL
FTEs	0.0	0.0	0.0	0.0	0.0	0.0
Objects of Expenditure:						
A - Salary and Wages	0	0	0	0	0	0
B - Employee Benefits	0	0	0	0	0	0
C - Personal Service Contracts	0	0	0	0	0	0
E - Goods and Services	0	16,400	16,400	16,400	16,400	49,200
G - Travel	0	0	0	0	0	0
J - Capital Outlays	0	0	0	0	0	0
TOTAL Expenditures	0	16,400	16,400	16,400	16,400	49,200
Funds:						
001-General Fund	0	0	0	0	0	0
02V-PSEA	0	16,400	16,400	16,400	16,400	49,200
Other	0	0	0	0	0	0